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Part XI
Capital expenditures

Section 33
Construction, alteration, improvement and major maintenance

(Programme 24 of the medium-term plan for the period 2002-2005)**

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Part XI
Capital expenditures

Section 33
Construction, alteration, improvement and major maintenance

(Programme 24 of the medium-term plan for the period 2002-2005)

A. Overview

33.1 The present section contains resources related to capital expenditure projects, namely, alterations and improvements to, and major maintenance of, the principal properties of the United Nations worldwide, including modernization of existing buildings and technical installations.

33.2 The projects contained under the section relate to subprogramme 4, Support services, of programme 24, Management and central support services, of the medium-term plan for the period 2002-2005, as revised. The projects at Headquarters are under the responsibility of the Facilities Management Division of the Office of Central Support Services. The United Nations Office at Geneva, the United Nations Office at Vienna and the United Nations Office at Nairobi and the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Economic Commission for Africa (ECA) are responsible within their respective spheres for local administration of resources under this section. Capital expenditure resources are requested centrally under this section in order to ensure a coordinated and systematic approach to facilities management, major maintenance and construction. The staff and related costs for administration and management of the activities are included under their respective sections of the programme budget for the biennium 2004-2005.

33.3 The Office of Central Support Services will continue its coordinating functions in providing integrated and coordinated management policy and guidelines to locations outside Headquarters, in line with General Assembly resolution 52/220 of 22 December 1997.

33.4 The overall objectives of the subprogramme are to provide effective and efficient planning, management, maintenance and operation for all existing physical facilities of the Organization; to provide electronic communication expertise for meeting facilities; and to provide common support for other mandated activities of the Organization.

33.5 Major maintenance requirements vary with the age of the building, type of construction, climate and adequacy of regular maintenance programmes. Properties owned by the United Nations at Headquarters are over 50 years old, requiring more active intervention to prevent structural, functional and technical obsolescence. Further, with new technologies in communications, office automation and information management, modifications and alterations to the buildings have become necessary to accommodate the specialized requirements of those technologies. For example, the application of energy-saving technologies to existing buildings requires significant architectural and engineering modifications. Similarly, new safety and environmental standards require the renovation of existing buildings to meet modern standards in such areas as fire safety, access for the disabled, interior air quality, asbestos abatement and safe handling of dangerous or toxic materials.

33.6 Historically, however, the management and maintenance of the facilities owned by the Organization have suffered from low levels of funding for programmes of preventive maintenance and repair. After a number of deferments, the cumulative effect leads to breakdowns and inevitably a substantial portion of the necessarily reduced budget allocation has to be redeployed from routine maintenance to unforeseen building repair emergencies. In addition, owing to the nature of capital improvement projects, a number of which require long lead times or summer season timetables, it often proves difficult to complete approved alteration and improvement projects during the biennium in which appropriations are granted. This results in the further deferral of those projects to future bienniums.

33.7 In order to remedy the situation with the facilities' physical condition at Headquarters, the General Assembly, in section II of its resolution 57/292 of 20 December 2002, decided to implement the capital master plan and authorized the Secretary-General to proceed with the remaining design phases of the project. Pending the implementation of the capital master plan and decisions yet to be taken by the Assembly on the financing of the project, the resources under the section reflect the continuation in the biennium 2004-2005 of the usual alterations, improvements and major maintenance projects. They do not, however, include capital improvements that have been identified in the report of the Secretary-General on the capital master plan (A/57/285). The Office of Central Support Services will continue, however, to implement the projects relating to security improvements, which although originally envisaged in the capital master plan were subsequently brought forward for earlier implementation when the General Assembly approved resolution 56/286 on 27 June 2002.

33.8 The total provision under the section amounts to $52,469,300, reflecting an apparent decrease of $35,871,800, or 40.6 per cent compared with the appropriation for the 2002-2003 biennium. The decrease, however, reflects the deletion of a one-time provision of $42,543,900 approved by the General Assembly in its resolution 56/286 for the strengthening of the security and safety of the United Nations premises, and is partly offset by a growth of $6,672,100 under other projects.

33.9 A number of projects included in the biennium for 2004-2005 had been approved previously by the General Assembly but either had to be deferred owing to limited resources or the need to undertake other unforeseen emergency projects, or are a continuation of previously approved multi-year projects. The projects proposed in the present section under alterations and improvements and major maintenance are itemized as being: projects deferred from prior periods, multi-year phased projects, recurrent projects or new projects (see table 33.3). The proposals for the biennium 2004-2005, therefore, represent: (a) a continuing phase of a catch-up programme, which is expected to continue into succeeding bienniums; and (b) those projects that the organizational units considered the most essential to ensure reliable and efficient operation of facilities and related infrastructures in support of substantive programmes. In line with the objectives set out in reports of the Secretary-General (A/57/387 and Corr.1 and A/57/620), in reviewing resource allocation between activities in this section, priority has been accorded to measures to facilitate implementation of the information and communications technology strategy and the energetic pursuit of its goals as a fundamental factor to the ongoing reform process of the Secretary-General. These construction activities are an integral and essential part of the work to be carried out in implementation of the information and communications technology strategy of the Organization. A provision for upgrading and improving technological and communications infrastructures at all locations is included in this section in the amount of $14,359,000, compared with a comparable provision in the biennium 2002-2003 in the amount of $8,907,000.

33.10 The estimated percentage distribution of resources under this section are shown in table 33.1.

Table 33.1 **Percentage distribution of resources by component**

Component	*Regular budget*	*Extrabudgetary*
A. Alteration and improvement	69.7	-
B. Major maintenance	30.3	-
Total	**100.0**	-

Table 33.2 **Resource requirements by component**

(Thousands of United States dollars)

(1) *Regular budget*

Component	*2000-2001 expenditure*	*2002-2003 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2004-2005 estimate*
			Amount	*Percentage*			
A. Alteration and improvement							
1. Headquarters	20 969.7	40 622.0	(23 636.4)	(58.1)	16 985.6	755.6	17 741.2
2. Geneva	3 805.6	24 190.8	(13 694.8)	(56.6)	10 496.0	168.5	10 664.5
3. Vienna	800.0	1 204.1	134.7	11.1	1 338.8	43.2	1 382.0
4. Nairobi	526.3	1 137.2	972.7	85.5	2 109.9	85.3	2 195.2
5. ESCAP	671.4	986.1	699.0	70.8	1 685.1	59.4	1 744.5
6. ECLAC	755.3	1 776.8	(42.4)	(2.3)	1 734.4	102.0	1 836.4
7. ECA	1 873.9	2 135.6	96.0	4.4	2 231.6	(5.6)	2 226.0
8. ESCWA	236.2	-	-	-	-	-	-
Subtotal	**29 638.4**	**72 052.6**	**(35 471.2)**	**(49.2)**	**36 581.4**	**1 208.4**	**37 789.8**
B. Major maintenance							
1. Headquarters	9 073.7	8 367.1	280.0	3.3	8 647.1	384.6	9 031.7
2. Geneva	3 745.6	2 595.1	845.8	32.5	3 440.9	55.3	3 496.2
3. Vienna	475.0	703.4	(134.7)	(19.1)	568.7	18.3	587.0
4. Nairobi	879.1	1 322.5	(67.0)	(5.0)	1 255.5	50.7	1 306.2
5. ESCAP	2 535.2	1 993.0	(800.5)	(40.1)	1 192.5	40.8	1 233.3
6. ECLAC	636.9	421.4	(103.2)	(24.4)	318.2	18.8	337.0
7. ECA	884.6	886.0	(421.0)	(47.5)	465.0	(1.2)	463.8
Subtotal	**18 230.1**	**16 288.5**	**(400.6)**	**(2.4)**	**15 887.9**	**567.3**	**16 455.2**
Total	**47 868.5**	**88 341.1**	**(35 871.8)**	**(40.6)**	**52 469.3**	**1 775.7**	**54 245.0**

Table 33.3 **Status of projects proposed for the biennium 2004-2005 by programme**

(Thousands of United States dollars)

	Headquarters	*United Nations Office at Geneva*	*United Nations Office at Vienna*	*United Nations Office at Nairobi*	*ESCAP*	*ECLAC*	*ECA*
Alterations/improvements							
Projects deferred from prior period(s)	7 720.0	-	-	-	-	563.5	40.0
Multi-year phased projects	1 094.0	7 509.4	-	2 059.9	593.7	100.0	-
Recurrent projects	710.0	100.0	-	-	-	-	370.0
New projects for 2004-2005	7 461.6	2 886.6	1 338.8	50.0	1 091.4	1 070.9	1 821.6
Subtotal	**16 985.6**	**10 496.0**	**1 338.8**	**2 109.9**	**1 685.1**	**1 734.4**	**2 231.6**
Major maintenance							
Projects deferred from prior period(s)	860.0	-	-	-	78.0	-	130.0
Multi-year phased projects	900.0	988.0	-	1 215.5	749.5	-	-
Recurrent projects	6 782.1	537.0	568.7	40.0	30.0	-	90.0
New projects for 2004-2005	105.0	1 915.9	-	-	335.0	318.2	245.0
Subtotal	**8 647.1**	**3 440.9**	**568.7**	**1 255.5**	**1 192.5**	**318.2**	**465.0**
Total	**25 632.7**	**13 936.9**	**1 907.5**	**3 365.4**	**2 877.6**	**2 052.6**	**2 696.6**

33.11 The above proposals should be seen in the context of the estimated and approximate value (excluding land) of the buildings owned by the United Nations, which is as follows:

(a) Headquarters — $722,358,600 (replacement value of the Headquarters complex, based on the market-value assessment);

(b) Geneva — $718,582,553 (estimated value, based on a projection of cost increases for the past 10 years);

(c) Vienna — $1,300,000,000 (estimated value): the Vienna International Centre is the property of the Government of Austria;

(d) Nairobi — $62,316,600 (estimated value of the Gigiri complex);

(e) ESCAP — $83,125,000 (estimated value of the ESCAP complex);

(f) ECLAC — $30,000,000 (estimated value of the ECLAC complex);

(g) ECA — $180,930,138 (estimated value of the ECA complex).

B. Alteration, improvement and major maintenance programmes

1. Headquarters

Resource requirements (before recosting): $25,632,700

33.12 The total provision of $25,632,700 at Headquarters consists of $16,985,600 for alteration and improvement and of $8,647,100 for major maintenance projects. This reflects a decrease of $23,356,400, or 47.7 per cent, compared with the appropriation for the biennium 2002-2003. The decrease relates to the deletion of one-time provisions of $27,657,600 covering the strengthening of the security and safety of the United Nations premises ($25,975,100), and a separate provision for the migration of technological facilities from analog to digital systems in the Department of Public Information deferred until the implementation of the capital master plan ($1,682,500). The decreases are partly offset by proposed additional requirements of $4,301,200 under other projects. Within the total provision of $25,632,700, a provision of $11,580,600 relates to technological improvements and upgrades in technological infrastructures in the Office of Central Support Services, the Department for General Assembly and Conference Management and the Department of Public Information, compared with $7,364,900 allocated for the same purpose in the biennium 2002-2003. This reflects the priority attached by the Secretary-General to the information and communications technology in line with the information and communications technology strategy proposed to the General Assembly in his report (A/57/620).

33.13 The provision for alterations and improvements amounting to $16,985,600 may be summarized as follows:

		$
(a)	Improvement of facilities and general infrastructure	3 580 000
(b)	Upgrades of conference facilities and infrastructure, including automated production and distribution of documents	935 100
(c)	Safety and security improvements	1 825 000
(d)	Information and communications technology infrastructures, including the local and wide area networks and Internet items	9 551 500
(e)	Public information technology digitization phase for 2004-2005	1 094 000
	Total	16 985 600

33.14 The provision of $8,647,100, reflecting an increase of $280,000, proposed for major maintenance of the Headquarters premises, would cover maintenance activities in the areas of general maintenance of facilities, heating, ventilation, air conditioning, structural and architectural maintenance, gardening and other urgent maintenance activities to ensure the reliable and efficient operation of the facilities and the safety and health of delegates, staff and visitors.

2. United Nations Office at Geneva

Resource requirements (before recosting): $13,936,900

33.15 The total provision of $13,936,900 consists of $10,496,000 for alteration and improvement and of $3,440,900 for major maintenance projects at the United Nations Office at Geneva. This reflects a decrease of $12,849,000, or 48.0 per cent, compared with the appropriation for the biennium 2002-2003. The decrease relates to the deletion of one-time provisions of $16,300,300, consisting of the first phase of the strengthening of the security and safety of the United Nations premises at Geneva ($15,475,400) and of a one-time provision of $824,900 for technological improvements of the production facilities at the Conference Services at the Office. The decrease is partly offset by a net growth of $3,451,300 under both alterations and major maintenance projects. The total resource requirements for the biennium 2004-2005 include a one-time provision of $4,764,400 required for the implementation of the second phase of the project to strengthen the security and safety of the Office premises as approved by the General Assembly, partly offset by a reduction in requirements under other projects.

33.16 The provision for alterations and improvements amounting to $10,496,000 may be summarized as follows:

		$
(a)	Improvement of facilities and general infrastructure	2 260 000
(b)	Improvement of conference facilities and related infrastructure	2 071 600
(c)	Improvement of security and safety	4 764 400
(d)	Improvement of the information and communications technology infrastructures, upgrade of storage area network, Internet environment, data network and telephone system network	1 400 000
	Total	10 496 000

33.17 The provision of $3,440,900, reflecting an increase of $845,800, proposed for major maintenance of the premises of the United Nations Office at Geneva, would cover maintenance activities in the areas of general maintenance of facilities, heating, ventilation, air conditioning, structural and architectural maintenance, gardening and other urgent maintenance activities to ensure the reliable and efficient operation of the facilities and the safety and health of delegates, staff and visitors.

3. United Nations Office at Vienna

Resource requirements (before recosting): $1,907,500

33.18 The total provision of $1,907,500 is maintained at the 2002-2003 level, and includes $1,338,800 for alterations and improvements and $568,700 for major maintenance projects. The resources requested represent the share of the United Nations Office at Vienna of the cost of improving and maintaining the Vienna International Centre, which is managed by the United Nations Industrial Development Organization on a cost-sharing basis through an agreement between the Vienna-based organizations and the host Government. The provisions relate to the following costs: continuation of replacement of carpets on various floors of the Center complex after completion of asbestos removal; modification of the premises to improve the utilization of space and adapt it to meet the most recent requirements, including installation of fibre-optic cabling and improvement of storage

capacity; extension of painting and floor treatment in technical areas, store rooms and corridors; replacement of, and alteration to, ceilings; and various maintenance projects of the premises.

4. United Nations Office at Nairobi

Resource requirements (before recosting): $3,365,400

33.19 The total provision of $3,365,400 consists of $2,109,900 for alterations and improvements and $1,255,500 for major maintenance projects. The total provision reflects an overall increase of $905,700, or 36.8 per cent, compared with the appropriation for the biennium 2002-2003. The increase represents the net effect of the deletion of a one-time provision of $521,300 for the strengthening of the security and safety of the United Nations premises in the biennium 2002-2003, more than offset by an additional provision of $1,427,000 for the renovation and modernization of five conference rooms, including their simultaneous interpretation equipment, which is now ageing and difficult to maintain in full functioning condition.

33.20 Apart from the provision of $1,427,000 proposed for renovation and modernization of the conference facilities, the resources proposed for alterations and improvements include $542,900 for the improvement of facilities and general infrastructure, and $140,000 for various projects in the context of further improvement of security and safety at Gigiri.

33.21 The resources proposed for major maintenance ($1,255,500) would cover maintenance activities in the areas of general maintenance of facilities, heating, ventilation, air conditioning, structural and architectural maintenance, gardening and other urgent maintenance activities to ensure the reliable and efficient operation of the facilities and the safety and health of delegates, staff and visitors.

5. Economic and Social Commission for Asia and the Pacific

Resource requirements (before recosting): $2,877,600

33.22 The total provision of $2,877,600 consists of $1,685,100 for alterations and improvements and $1,192,500 for major maintenance projects. It reflects a net decrease of $101,500, or 3.4 per cent, compared with the appropriation for the biennium 2002-2003. The decrease relates to the deletion of a one-time provision of $101,500 for the strengthening of the security and safety of the United Nations premises in the biennium 2002-2003.

33.23 The provision for alterations and improvements amounting to $1,685,100 may be summarized as follows:

		$
(a)	Improvement of facilities and general infrastructure	734 700
(b)	Replacement of the simultaneous interpretation system in conference rooms	170 000
(c)	Further improvement of the security and safety of the premises	100 000
(d)	Improvement of the information and communications technology infrastructure, including an upgrade of the building automation system network, the remote control system and replacement of cable throughout the complex	680 400
	Total	1 685 100

33.24 A provision of $1,192,500, reflecting a decrease of $800,500, would cover major maintenance activities in the areas of general maintenance of facilities, heating, ventilation, air conditioning, structural and architectural maintenance, gardening and other urgent maintenance activities to ensure the reliable and efficient operation of the facilities and the safety and health of delegates, staff and visitors.

6. Economic Commission for Latin America and the Caribbean

Resource requirements (before recosting): $2,052,600

33.25 The total provision of $2,052,600 consists of $1,734,400 for alterations and improvements and of $318,200 for major maintenance projects. This reflects a decrease of $145,600, or 6.6 per cent, compared with the appropriation for the biennium 2002-2003. The decrease relates to the deletion of a one-time provision of $145,600 for the strengthening of the security and safety of the United Nations premises in the biennium 2002-2003.

33.26 The provision for alterations and improvements of $1,734,400 may be summarized as follows:

		$
(a)	Improvement of facilities and general infrastructure	1 058 000
(b)	Further improvement of security and safety	231 400
(c)	Improvement of the information and communications technology infrastructures, the local area network and telephone system and virtual private network for internal connectivity of ECLAC offices	445 000
	Total	1 734 400

33.27 The provision of $318,200, reflecting a decrease of $103,200, would cover major maintenance activities in the areas of general maintenance of facilities, heating, ventilation, air conditioning, structural and architectural maintenance, gardening and other urgent maintenance activities to ensure the reliable and efficient operation of the facilities and the safety and health of delegates, staff and visitors.

7. Economic Commission for Africa

Resource requirements (before recosting): $2,696,600

33.28 The total provision of $2,696,600 would consist of $2,231,600 for alteration and improvement and $465,000 for major maintenance projects. This reflects a decrease of $325,000, or 10.8 per cent, compared with the appropriation for the biennium 2002-2003. The decrease relates to the deletion of a one-time provision of $325,000 for the strengthening of the security and safety of the United Nations premises for the biennium 2002-2003.

33.29 The provision for alterations and improvements amounting to $2,231,600 may be summarized as follows:

		$
(a)	Improvement of facilities and general infrastructure	1 256 100
(b)	Improvement of conference facilities and infrastructure	560 500
(c)	Further improvement of security and safety	162 000
(d)	Improvement of the information and communications technology infrastructures, including modernization of the communication systems	253 000
	Total	2 231 600

33.30 A provision of $465,000, reflecting a decrease of $421,000 would cover major maintenance activities in the areas of general maintenance of facilities, heating, ventilation, air conditioning, gardening and structural and architectural maintenance and other urgent maintenance activities to ensure the reliable and efficient operation of the facilities and the safety and health of delegates, staff and visitors.